GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3457
ANSWERED ON:23.12.2008
EXPORTS BY SEZ
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the quantity and value of products exported by different SEZs and sold in domestic market during each of the last three years and the current year;

(b) the amount of revenue loss on domestic sales of products by SEZs and the gap between the targeted exports and net exports made during these years;

(c) whether the Government proposes to change the law to restrict domestic sale of products from SEZs to reduce revenue loss and increase tax earnings and also take measures to check exporters from availing higher trade benefits from fake export certificates; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

a) As per available information, the quantity of physical exports from SEZs etc. are as follows:-

	2006-07	2007-08
Physical Exports	84.5%	84%
DTA sale (counted for +ve NFE))	13.5%	12%
DTA Sale (not counted for +ve NFE)	2%	4%

b):There is no revenue loss on domestic sales of products by SEZs since they pay full customs duty and other applicable duties on sale into the Domestic Tariff Area. No target is set for exports by SEZs.

c)&d): Government does not propose to change the laws to restrict domestic sales of products from SEZs. In respect of sales to the Domestic Tariff Area, applicable duties are paid and income tax benefits are not available for such sales. Development Commissioners monitor and take appropriate action if misuse of fiscal benefits are noticed. On detection of fake export certificates, criminal action is resorted to.